

Suggested Remarks
Daniel C. Moore,
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U.S. Agency for International Development
Launch of Davao "Fuels for Life" Movement
under USAID Sustainable Energy Development
Program
"Clean Cities Program"
Thursday, 27 October 2005
Waterfront Hotel, Davao City

- ◇ The Honorable Mayor Rodrigo Duterte;
 - ◇ Vice Mayor Louie Bonguyan;
 - ◇ Former Miss Universe Ms. Margarita Moran
Florendo;
 - ◇ Members of the Davao Clean Cities Coalition;
 - ◇ Guests and friends
- Magandang Gabi!

Can biofuels really compete with fossil fuels?
Recent projections suggest that bioethanol, for
example, might make up as much as 5% of the
world's transport fuel by 2010. Five percent
might seem modest at first, but it is indeed
significant, when one considers that no other

alternative fuel has had an equivalent impact on the world gasoline market in over 100 years! And one can make similar comparisons about biodiesel.

The main question facing biofuels is not whether they work, but rather, how they can be developed further. Several constraints stifle expanded use of biofuels, such as:

- ◊ Competition with existing products and markets;
- ◊ Consumer concerns (will it work?);
- ◊ Uncertain incentives for private sector investment; and
- ◊ Unresolved technical issues.

As a result, the use of biofuels for transport remains relatively low around the world. Currently leading the way in consumption of

ethanol, for example, are the United States (at 2% of transport fuel use) and Brazil (at 30%).

While the production costs for biofuels (such as coco methyl ester and ethanol) are easy to measure, the benefits are more difficult to quantify. Biofuels can be expensive when compared to traditional fossil fuels, but a narrowing price gap due to rising oil prices, along with production improvements, are rapidly making biofuels much more attractive in terms of basic cost. But biofuels offer many "other" benefits that fossil fuels do not. These include:

- ◇ Increased energy security and independence;
- ◇ Economic development through creation of a domestic biofuels industry;
- ◇ Poverty reduction through increased rural income, employment, and development;

- ◇ Improved trade balance, due to reduced oil imports, or perhaps even export of biofuels;
- ◇ Improved public health through reduced pollution;
- ◇ Reduced greenhouse gas emissions;
- ◇ Improved engine function and efficiency; and
- ◇ More miles per peso!

Given the wide-ranging benefits, it is little wonder that countries around the globe are either implementing or considering policies to expand the use of biofuels. This includes the United States, Canada, several European countries, Australia and Japan, as well as many developing countries , such as Brazil.

And indeed, it is in the developing world that the outlook for biofuels may be most promising. For example, the cost of producing ethanol from sugar cane in Brazil is now close to the that

country's cost of producing gasoline. Generally speaking, favorable climates and lower labor costs mean lower production costs, and hence a competitive advantage for the developing world. So, why not become a producer, user, *and* exporter of biofuels?

So we should all just jump on the biofuels bandwagon, right? Why isn't everyone already on board? Because change involves risk - stepping from the known into the unknown. Earlier, I outlined some of the concerns that are limiting that change, as well as some of the potential benefits.

This is where advocacy, information, education, and communication can join hands and to help illuminate that dark place - the unknown - to help people to take that first step, and to

change. And that is where the Fuels for Life Movement comes in.

The Fuels for Life Movement is part of USAID's Clean Cities Program implemented by the U.S. Department of Energy. The Clean Cities program supports the Philippines' efforts to promote cleaner and renewable energy for transport. Today, the Clean Cities Program works in over 100 cities around the globe, facilitating the sharing of experiences between cities and countries engaged in related reforms.

So what exactly is the Fuels for Life Movement? The Fuels for Life Movement is the flagship Clean Cities information, education and communication project:

- ◇ Fuels for Life is anchored around strategic partnerships between individuals and

organizations from both the public and private sectors;

- ◇ Fuels for Life is composed of people from all walks of life who share the common goal of cleaner, alternative fuels;
- ◇ Fuels for Life's core goal is increased awareness and acceptance of alternative fuels by the Filipino public;
- ◇ Fuels for Life seeks not only the commitment of companies and groups, but more importantly, the commitment of individuals to personally advocate for cleaner air through alternative fuels;
- ◇ Fuels for Life supports the Philippine Government's emphasis on alternative fuels, cleaner air, and greater energy independence;
- ◇ Fuels for Life was launched last June 3, 2005 in Manila, and October 6 in Baguio;

- ◇ And tonight, we launch the Fuels for Life Movement in Davao, one of the Clean Cities Program's four target cities.

On behalf of USAID, I would like to thank all of our partners, and all those in attendance this evening, and all those organizations and individuals who are helping to advocate for change. And for those present, the Fuels for Life launch here in Davao is:

- ◇ An affirmation of each of our commitments;
- ◇ A celebration of the remarkable gains made in the alternative fuels over the past six months;
- ◇ A testimony that alternative fuels are gaining ground in the country; and
- ◇ An opportunity to join hands and work together in making a difference in the quality of air both here in Davao, and throughout the country.

Let me close by quoting Margaret Mead, a distinguished American anthropologist, who once stated: *"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it is the only thing that ever has."*

I wish you all success in working towards that change.

Maraming Salamat Po!